Utah State Tax Commission Tax and Revenue





Utah State Tax Commission

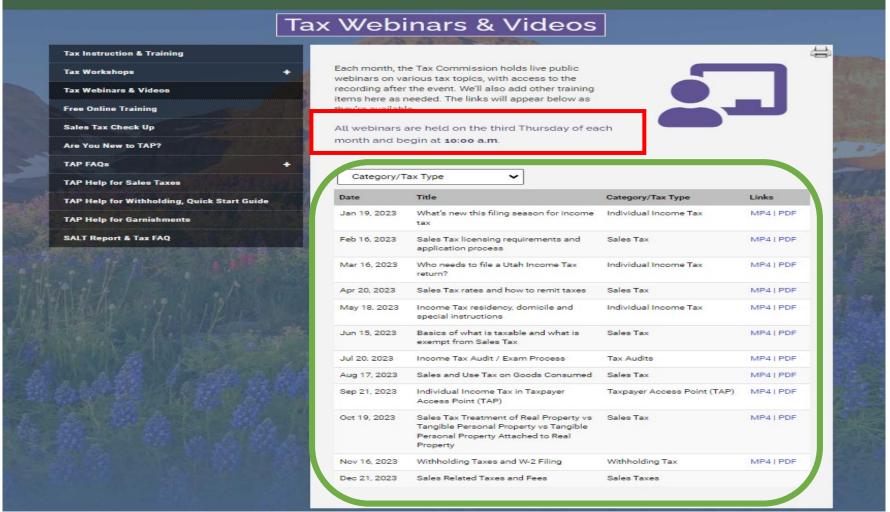
Monthly webinars of various tax topics.

- ➤ Ability to access the recording and presentation after the event.
- > Free to all attendees.



Utah State Tax Commission Monthly Webinars

tax.utah.gov/training/webinars





Utah State Tax Commission Monthly Webinars

tax.utah.gov/training/webinars

Dec 21, 2023	Sales Related Taxes and Fees	Sales Taxes	MP4 PDF
Jan 18, 2024	What's New for the 2023 Income Tax Filing Season	Income tax	Join Live
Feb 15, 2024	Marketplace Facilitators and Sellers	Sales Tax	
Mar 21, 2024	Utah Child / Dependent Tax Information	Income tax	
Apr 18, 2024	How to Determine the Correct Sales Tax Rate	Sales Tax	
May 16, 2024	Military Income Tax Common Issues, Deductions and Credits	Income Tax	
Jun 20, 2024	Sales Tax Refund Process	Sales Tax	



What's New For The 2023 Income Tax Filing Season





Topics

- General Information
- Legislative Updates
- Individual Income Tax on TAP
- Other Info



General Information



Utah Personal Exemption

2023 Utah Personal Exemption increased to \$1,941 for each qualifying dependent. Increased from \$1,802 in 2022. (TC-40 - line 11)

Qualifying Dependents:

- Dependents 16 and under
- Other dependents who qualify for the child tax credit
- Dependents must be claimed on federal return
- Additional Utah personal exemption in year of qualifying dependents birth



Federal Standard Deduction

• 2023 Federal Standard Deduction (TC-40 - line 12)

Single or Married Filing Separate: \$13,850

Head of Household: \$20,800





Married Filing Jointly or Qualifying Surviving Spouse: \$27,700

Taxpayer Tax Credit Base Phase Out Amounts

The Taxpayer Tax Credit is 'phased out' or **limited by 1.3**% of any income over a certain amount based on the filing status of the return. (line 17)

<u>2022</u>	<u>2023</u>	
\$15,548 >	\$ 16,742	Single or Married Filing Separately
\$23,322 >	\$ 25,114	Head of Household
\$31,096 >	\$ 33,484	Married Filing Jointly or Qualifying Surviving Spouse



2023 Legislative Updates



Individual Income Tax

HB 54 Tax Revisions

Effective for tax periods beginning on or after January 1, 2023

- Reduces the corporate and individual income tax rate from 4.85% to 4.65%.
- Modifies the individual income taxpayer tax credit by authorizing an additional Utah personal exemption in the year of a qualifying dependent's birth.



HB 54 (continued) Tax Revisions

- Expands eligibility for the social security income tax credit by increasing the phase-out threshold for each filing status as follows:
 - married separate from \$31,000 to **\$37,500**
 - single from \$37,000 to **\$45,000**
 - head of household and married joint from \$62,000 to \$75,000
- Limits the Utah earned income tax credit to the lesser of: 20% of the federal earned income tax credit that a qualifying claimant is entitled to claim for the current tax year, and the total of the claimants Utah wages reported on form W-2 for the tax year.



HB 56 Tax Assessment Amendments

- Clarifies that the individual income tax addition to income does not apply to the amount of tax paid on Utah taxable income that is attributable to an individual by a pass-through entity under §59-10-1403.2(2), if:
 - Either the income on which the tax was paid is not included in the individual's adjusted gross income, or
 - The tax was paid to another state under a tax that the Tax Commission determines is substantially similar to the Utah tax imposed under §59-10-1403.2(2)

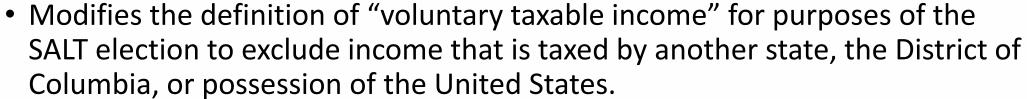


 In other words: If SALT was paid on PTE distributions to the individual the addition to income is not required on the individual's return if the PTE did not take a deduction for the amount of SALT paid.

HB 56 (continued)

Tax Assessment Amendments

- Specifies that a pass-through entity that elects to pay a tax under the SALT election must file a Utah SALT Deduction Report electronically and provide information designated by the Tax Commission on or before the last day of the pass-through entity's taxable year.
- Modifies the definition of "final pass-through entity taxpayer" to exclude a business entity, estate, or trust.





HB 56 (continued)

Tax Assessment Amendments

- Retrospective for a taxable year beginning on or after January 1, 2022, clarifies that a pass-through entity that elects to pay the tax under the SALT election, shall provide each individual a Utah K-1 that shows the amount of tax that:
 - Was paid under this election to Utah
 - TC-65 schedule K-1 line 17 Credit code AP
 - TC-20S schedule K-1 line 18 Credit code AP
 - Was paid to another state under a tax that the Tax Commission determines is substantially similar to the SALT election.
 - TC-65 schedule K-1 line 12
 - TC-20S schedule K-1 line 11
- Specifies that if any change is made to a pass-through entity's federal income tax return, either by voluntary amendment or IRS adjustment, the passthrough entity must file with the Tax Commission within 90 days of the amendment or final IRS adjustment:
 - A copy of the amended federal return or IRS adjustment,
 - An amended Utah return that conforms to the federal amendment or IRS adjustment, and
 - Pay or withhold tax on any increase in pass-through entity income resulting from the change.



HB 130 Adoption Tax Credit

Effective for tax periods beginning on or after January 1, 2023

- Individual must certify with the Department of Workforce Services that they:
 - Finalized an adoption during the taxable year, and
 - Did not receive any state or federal financial assistance during the year the adoption was finalized

 Requires the individual to sign a written release authorizing the Department of Workforce Services to disclose the individual's name and identifying information to the Tax Commission.



HB 130 (continued) Adoption Tax Credit

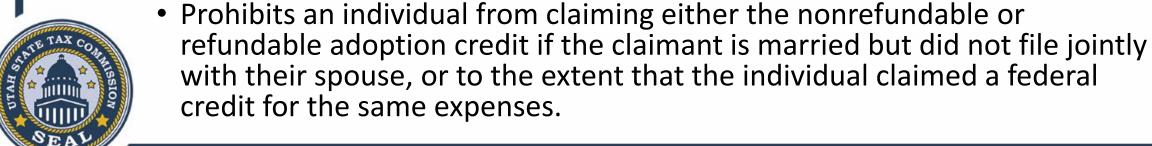
- Creates an apportionable nonrefundable individual income tax credit equal to the lesser of either \$3,500 or the amount of the qualifying claimant's adoption expenses.
- Defines "qualifying claimant" for the nonrefundable credit to mean an individual who is certified by the Department of Workforce Services and has a federal adjusted gross income for the taxable year of
 - Between \$55,000 and \$110,000 if married filing jointly
 - Between \$27,500 and \$55,000 for other filing statuses.





HB 130 (continued) **Adoption Tax Credit**

- Creates an apportionable **refundable** individual income tax credit equal to the lesser of either \$3,500 or the amount of the qualifying claimant's adoption expenses.
- Defines "qualifying claimant" for the refundable credit to mean an individual who is certified by the Department of Workforce Services and has a federal adjusted gross income for the taxable year of:
 - Less than \$55,000 if married filing jointly.
 - Less than \$27,500 for other filing statuses.





HB 364 Housing Affordability Amendments

Effective for tax years beginning on or after January 1, 2023

Modifies the definition of a "qualified taxpayer" to mean a person who
acquires an interest in a qualified development through one or more passthrough entities on or before December 31 of the tax year to which the
credit relates, and who is included in the tax credit allocation report
provided to the Tax Commission by the housing sponsor's designated
reporter.



 The Utah Housing Corporation authorizes the tax credit for a "Housing Sponsor"

HB 364 (continued) Housing Affordability Amendments

- The Housing Sponsor must be a pass through entity and the Housing Sponsor's designated reporter must file a report with the Tax Commission indicating they have received the credit from the Utah Housing Corporation.
- The Housing Sponsor issues Utah K-1s to each member to report to that member their allocated share of the credit.

For more information contact:





Phone # 801-902-8200

HB 528 Utah Energy Act Amendments

Effective for tax years beginning on or after January 1, 2023

 Prohibits a corporate or individual income taxpayer from claiming or carrying forward the renewable energy system income tax credit and the alternative energy development income tax credit in the same taxable year.



Reminder — Tax year 2023 is the last year for the Residential Renewable Energy Systems tax credit. \$400 credit for each residential unit. Phases out to zero in 2024.

Individual Income Tax on Taxpayer Access Point (TAP)



What is Taxpayer Access Point?

- Taxpayer Access Point (TAP) is a secure web portal created by the Utah State Tax Commission to be used for submitting tax returns, paying and managing Utah tax accounts.
- The TAP portal has been used to manage Utah business accounts through a TAP sign on.
 - Previous limited functionality for individual income tax Unable to create a sign on
 - Returns could only be submitted for the current tax year
 - Refund inquiry only for current tax year
 - Payments could be submitted through a no log in process
 - Could not view returns or account balances.



- NEW: TAP sign on functionality is available for individual income tax
 - You must have filed at least once during the previous three years to create a profile.

tax.utah.gov

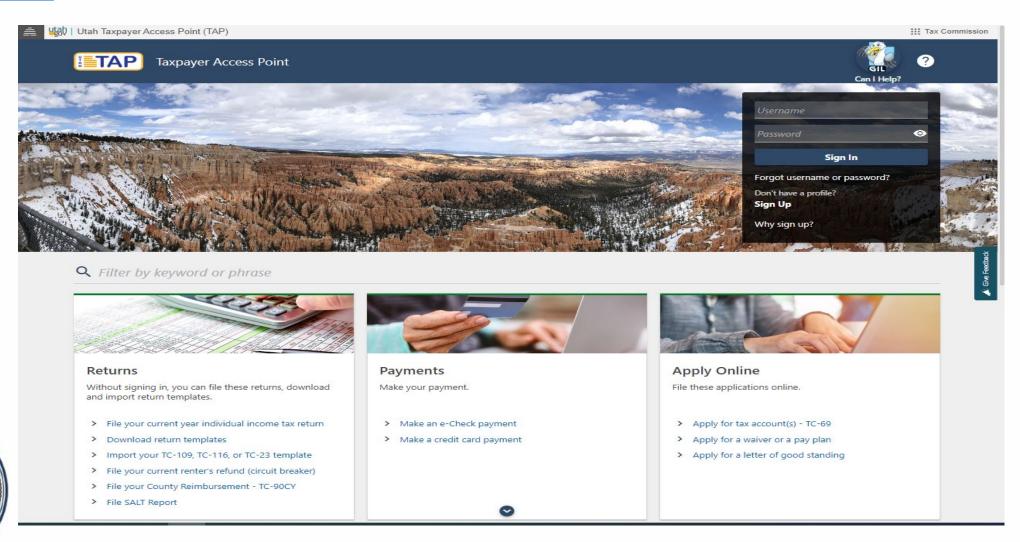
tap.utah.gov





Utah State Tax Commission – TAP Web Portal

tap.utah.gov



What is Available?



- Account Access
 - For individuals
 - Access by third party
- TC-40
 - File, view or amend the current and previous 2 year's tax return's.
 - Print a return transcript for the current and previous 2 year's tax return's.

- View refunds issued for the current and previous 2 tax years.
 - Shows refund information
 - Issued date, method of refund, check number and contact information for the Utah Division of Finance



What is Available?



- Make payments
 - Payment information may be saved for future use.
 - Schedule payments up to 130 days in the future.
- View account balances
 - Only shows periods older than 3 years if a balance exists
- View Certain Letters
 - Balance due, notice of change, information request letters, etc.
 - Bankruptcy, garnishment, audit, legal or other letters containing federal tax information are <u>not available</u> to view in TAP.



Request a payment agreement or waiver of penalty and interest.

What is Available?



- Change name and/or address.
 - Additional documentation will need to be uploaded for name change.
- View previous submissions in TAP.
- Manage access for third party logon's.
- TAP submissions will be processed at 5:00pm each business day.
 Submissions after 5:00pm or on the weekends will be processed at 5:00pm on the next business day.

NOTE: Received date will be the date submitted regardless of when it is processed.

What is NOT Available?



- Return information for tax years more than two years prior to the current tax year.
- Legal letters, audit letters or letters containing federal tax information.
- Identity verification quiz or return verification.
 - Must be completed through the TAP home screen.
- Submission of requested documentation.
 - Must be submitted through the TAP home screen.
 - Identity verification letters.
 - Letter request for documentation.



Other info

- Interest
- Tips for Preparers
- Refund Tips
- Tax Commission Resources



Interest

- Interest rate will change to 7% for 2024 (Increases from 5% for 2023)
 - Rate determined by adding two percentage points to Federal rate and in accordance with Utah Code 59-1-402.
- Calculated from the date payment was due until payment is received.
- Applies to overpayments, refunds, underpayments and delinquencies.



Return Preparation TIP

Filing returns with an ITIN:

- Returns can be filed with an ITIN on the TC-40 return
- ITIN's can not be used on the TC-40W.
 - TC-40W must have the same SSN as reported on W-2s.
- Credit for withholdings will be disallowed if filed with a ITIN on the TC-40W.
- Withholding credits can be denied and refunds stopped.
- Must be able to verify withholding in order to process refund.



Refund Tips

- E-File can speed up the refund process
- Use direct deposit
- Check for accuracy
- File early (fraudsters file early in hopes to get refund before you do)
- Respond quickly to Identity Verification letters
- If your system has been breached, or data has been compromised, notify the Tax Commission immediately.
 - Contact the Suspicious Filers Group @ 801-297-3857
 - PTIN#'s or SS#'s can be flagged for fraud alerts



Tax Commission Resources

	Contact Us			
Practitioner Hotline	801-297-7790 or 1-800-662-4335 ext. 7790			
Customer Service – payment processing & liens	801-297-2200 or 1-800-662-4335			
Taxpayer Resources Unit – basic tax questions	801-297-7705 or 1-800-662-4335 ext. 7705			
TAP Support	801-297-3996 or 1-800-662-4335 ext. 3996			
	Email: tapsupport@utah.gov			
Taxpayer Advocate Service	801-297-7562 or 1-800-662-4335 ext. 7562			
Email	taxmaster@utah.gov			
	Online Resources			
Tax Commission Website	tax.utah.gov			
Forms and Publications	tax.utah.gov/forms			
Online Services (TAP)	tap.utah.gov			
Tax Practitioner Information	tax.utah.gov/taxpros			
Individual Income Tax	incometax.utah.gov			
Tax Training	tax.utah.gov/training			
Twitter	Forms: UtahTaxWebsite All other Tweets: Utahtaxcomm			



Thank You

